

Legislation Text

File #: 170252, **Version:** 0

Calling for a hearing on Philadelphia's "middle neighborhoods," which are neighborhoods where housing is typically affordable and where quality of life - measured by access to high quality public amenities and advantageous employment, crime rates, and school performance - is sufficiently good that new home buyers are willing to play the odds and choose these neighborhoods over others in hopes they will improve rather than decline, and to explore potential intergovernmental policy solutions to stabilize and support these neighborhoods.

WHEREAS, "Middle neighborhoods" are defined by several characteristics, including the fact that housing is generally in acceptable condition; they are mostly comprised of single-family housing; they are vulnerable to decline, but in many instances are providing a good quality of life for their residents; property values are generally flat and the value trajectory is not clear; and as a group, they are more racially diverse than strong and distressed neighborhoods; and

WHEREAS, David Boehlke of The Healthy Neighborhoods Group describes "middle neighborhoods" as "not thriving enough to attract sustained private investment, yet...not troubled enough to warrant concentrated public attention," and

WHEREAS, Paul Brophy, the editor of a new book entitled *On the Edge: America's Middle Neighborhoods*, estimates that about 46 percent of Americans live in middle neighborhoods, and contemporary Reinvestment Fund estimates are that just over 40% of Philadelphians live in these neighborhoods; and

WHEREAS, Middle neighborhoods face many challenges, such as the fact that the middle class is shrinking in 9 out of 10 cities, income segregation is growing, existing housing stock is not meeting market demand, job locations are not near middle neighborhoods, and some middle neighborhoods are competing with nearby suburbs; and

WHEREAS, Some of the main challenges facing middle neighborhoods are neighborhood stabilization and housing preservation. In Philadelphia, for example, many of the residents of middle neighborhoods have been consistent contributors to the tax base for decades and yet many of them, particularly those who are at or near retirement, no longer have enough disposable income to make home and property improvements; and

WHEREAS, It will save time, money, and effort if policy solutions focus on preventing middle neighborhoods from further decline, as opposed to waiting until they become further distressed and then looking for a cure; and

WHEREAS, Several potential policy solutions already exist. They include securing funding to neighborhood organizations, strategically intervening on vacant structures, changing local CDBG funding rules, modifying Community Reinvestment Act rules to include middle neighborhoods, and targeting funds to promote racial and income balance; and

WHEREAS, In Philadelphia, some unique local policy solutions have also been proffered. For example, the

realty transfer tax was raised by 0.1%, the proceeds of which will be used to issue \$100 million worth of bonds, with \$60 million going to clearing the backlog of City housing rehabilitation programs, and \$40 million going to the creation of a new loan program that will provide homeowners with low-interest loans to do home and property improvements; and

WHEREAS, The time to raise awareness of middle neighborhoods is now. Reinvestment Fund has readily available data with their Market Value Analysis tool, and experts have come together to highlight this issue, by publishing *On the Edge* and hosting related events; and

WHEREAS, Researchers at Reinvestment Fund caution, “Cities ignore their middle neighborhoods at their own peril. Unless policymakers recognize and act to maintain the quality of life and stability of these areas, residents may well leave because their economic wherewithal allows them to find those qualities elsewhere”; now, therefore, be it

RESOLVED BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That it hereby calls for a hearing on Philadelphia’s “middle neighborhoods,” which are neighborhoods where housing is typically affordable and where quality of life - measured by access to high quality public amenities and advantageous employment, crime rates, and school performance - is sufficiently good that new home buyers are willing to play the odds and choose these neighborhoods over others in hopes they will improve rather than decline, and to explore potential intergovernmental policy solutions to stabilize and support these neighborhoods.